United Nations DP/2009/1

Executive Board of the
United Nations Development
Programme and of the
United Nations Population Fund

Distr.: General
21 October 2008

Original: English

First regular session 2009
19 to 22 January 2009, New York
Item 1 of the provisional agenda
Organizational matters

Report of the second regular session 2008 (8 to 12 and 19 September 2008, New York)

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I. Organizational matters

1. The second regular session 2008 of the Executive Board of UNDP and UNFPA was held at the United Nations, New York, from 8 to 12 September and 19 September 2008.

2. The Executive Board approved the agenda and work plan for the session (DP/2008/L.3), and approved the report of the annual session 2008 (DP/2008/37).

3. The Executive Board agreed to the following schedule of sessions of the Executive Board in 2009:

First regular session 2009:	19 to 22 January 2009
Annual session 2009:	26 May to 5 June 2009 (New York)
Second regular session 2009:	8 to 11 September 2009

4. Decisions adopted by the Executive Board at the second regular session 2008 were included in document DP/2008/38, accessible at www.undp.org/execbrd.

UNFPA segment

II. Statement of the Executive Director and financial, budgetary and administrative matters

5. The Executive Director began her statement by underscoring that true breakthroughs required more than strategic plans; they depended on inspired collaboration and UNFPA would not have progressed in becoming a more field-focused and results-oriented organization without the strong support and guidance of the Executive Board. She updated the Board on developments, including the status of the Fund's reorganization. She highlighted the centrality of the Programme of Action of the International Conference on Population and Development (ICPD) as the international community prepared for the upcoming high-level meeting on the Millennium Development Goals (MDGs). She stressed the need for policies that were just and equitable and placed people at the centre. She underscored that MDG 5 to improve maternal health would not be achieved unless women had universal access to reproductive health, especially with regard to family planning, skilled attendance at birth and emergency obstetric care.

6. In elaborating on the 17th International AIDS Conference held in Mexico, the Executive Director emphasized the need to intensify HIV prevention as had been done in the case of treatment, as well as strengthen the fight against stigma and discrimination. She stressed the importance of linking interventions for HIV and sexual and reproductive health. She highlighted the Fund's ongoing work in the areas of reproductive health commodity security (RHCS); the Campaign to End Fistula; South-South cooperation, and the culture-sensitive approach to programming. She noted that in 2008 the UNFPA flagship publication State of World Population would focus on culture, gender and human rights (the report would be launched on 12 November). She introduced Nobuko Horibe, the new Director of the Asia and the Pacific Regional Office, noting that Ms. Horibe had served at UNFPA since 1987.

7. The Executive Director reported that, as requested by the Executive Board, baseline data had been compiled and targets developed for all indicators for the UNFPA strategic plan 2008-2011. She introduced the agenda item on financial, budgetary and administrative matters and presented the proposal to revise UNFPA Financial Regulation 14.5 on ex-gratia payments as contained in the documents before the Board (DP/FPA/2008/15 and corrigendum DP/FPA/2008/15/Corr.1; and DP/FPA/2008/16). She noted that in the aftermath of the Algiers bombing in 2007 and the unprecedented threats which prevailed globally, UNFPA was proposing lifting the annual limit of $25,000 for ex-gratia payments. She added that lifting the

financial cap would allow UNFPA to be harmonized with other United Nations funds and programmes. She briefed the Board on results-based budgeting issues, including the work on cost classifications. The full text of the Executive Director's statement is available on the UNFPA website at http://www.unfpa.org/exbrd/2008/2008_second.htm.

8. The Executive Director concluded by informing the Executive Board that the Secretary-General had informed her that he had extended her tenure by two years. The announcement was greeted by warm applause from Board members.

9. Delegations congratulated the Executive Director on the extension of her tenure and expressed great appreciation and admiration for her leadership and stewardship. Numerous delegations underscored their support for UNFPA and their confidence in the Executive Director. Several delegations commended the dedication of UNFPA staff and recognized that staff in the field frequently worked in challenging conditions. Delegations stressed the key contribution of UNFPA in achieving the target of universal access to reproductive health for MDG 5. They emphasized the link between human rights, women's empowerment and development. Noting the upcoming high-level event on MDGs in the General Assembly, delegations pointed out that MDG 5 was lagging in progress and called for increased attention to reducing maternal mortality – an area where UNFPA had a central role to play.

10. Some delegations emphasized the role of men and boys in achieving gender equality and reproductive health. The work of UNFPA in sector-wide approaches and pooled funding, as well as in sexuality education for youth was commended. Delegations called for increased efforts to make reproductive health commodities more accessible and to close the gap on the unmet need for contraceptives. The importance of HIV prevention was underscored. UNFPA work in the area of sexual and gender-based violence and development of the culture-lens methodology was commended. Numerous delegations expressed support for the revision in financial regulations proposed by UNFPA with regard to ex-gratia payments.

11. The delegation of Sweden stated that it had conducted an assessment of its multilateral partners and UNFPA had scored high in effectiveness, as well as in Sweden's policy priority areas such as international development cooperation, gender equality and human rights. The delegation of Japan thanked the Executive Director for participating in the Fourth Tokyo International Conference on African Development (TICAD IV). The delegation of the Netherlands announced that it would more than double its contribution to the Fund's Global Programme on Reproductive Health Commodity Security and would contribute an amount of five million euros over three years to the Universal Access to Female Condoms Programme. The delegation of Australia announced that it would also increase its contribution to UNFPA.

12. The Executive Director thanked the President and Executive Board members and others for their warm congratulations on the two-year extension of her tenure. She expressed deep appreciation for their support and the tributes to her leadership and vision and thanked them for recognizing the dedication and hard work of UNFPA staff. She thanked Sweden for reporting that UNFPA had scored high in the assessment of multilateral partners. She thanked the Netherlands for doubling its support to RHCS and the additional contribution for the female condoms programme, and appreciated that the delegation had raised the important issue of sex education for young people. She thanked Australia for announcing an increase in funding to UNFPA; and Ireland for its multi-year funding agreement. She thanked Switzerland for supporting her vision of a culture-sensitive approach to programming; and Denmark for honouring her as a torchbearer in the Torch Campaign and Global Call to Action on MDG 3.

13. She reiterated the strong support of UNFPA for South-South cooperation as well as North-South cooperation. She assured the Executive Board that the Technical Division of UNFPA was working on demonstrating the interlinkages between reproductive health and poverty. She concurred that working with men and boys was essential to promote gender equality and universal access to reproductive health. She

noted that the Health 8 (H 8) group was collaborating on those critical areas of work. She appreciated the supportive comments from Board members regarding ex-gratia payments and the need to revise the pertinent financial regulations and rules. Regarding the High-Level Committee on Management (HLCM)-led work on United Nations system business practices, she noted that it had been completed and was being reviewed by the Secretary-General. She concluded by thanking the President and the Executive Board for supporting the mission and work of UNFPA.

14. The Executive Board adopted decision 2008/26: Revision of the financial regulations of UNDP and UNFPA.

III. Country programmes and related matters

15. The Deputy Executive Director (Programme) introduced seven new draft country programme documents (DCPs) for Angola, Côte d'Ivoire, Kenya, Mauritania, Timor-Leste, Haiti and Venezuela; and the third one-year extension for the Lebanon country programme. She noted that the programmes were developed through a participatory process involving the respective Governments and other national and international stakeholders, including civil society. The directors of the Africa Regional Office, the Arab States Regional Office, the Latin America and Caribbean Regional Office and the officer-in-charge (OIC) of the Asia and the Pacific Regional Office provided details regarding the specific programmes from their respective regions.

16. During the discussion, programme countries thanked UNFPA for the excellent collaboration and cooperation and underscored their commitment to address such issues as maternal and child mortality; access to reproductive health services, including HIV prevention and reproductive health commodity security; and gender equality. Delegations highlighted the participatory process utilized to develop the DCPs which had involved national authorities, non-governmental organizations (NGOs), including faith-based organizations, and other development partners. They emphasized the need to increase access to reproductive health care information and services, including for marginalized groups. They encouraged focusing greater attention on maternal mortality reduction, reproductive health commodity security, family planning, emergency obstetric care, HIV prevention and addressing gender-based violence. They also noted the need to address the sexual and reproductive health needs of youth, including out-of-school youth. One delegation noted the need for age-appropriate sex education and increased involvement of parents. Referring to its country programme, one delegation welcomed the interlinking of development efforts with disaster preparedness and response mechanisms.

17. Delegations appreciated the UNFPA focus on building national capacity. They inquired about partnerships in the area of gender-based violence. One delegation noted that in light of the recent coup d'état in Mauritania, UNFPA should consider revising the draft country programme to adjust it to the new circumstances. In elaborating on the current political situation the delegation of Mauritania emphasized the country's commitment to democracy and good governance. Delegations congratulated the Executive Director on her two-year extension and underscored the confidence they had in her leadership. They assured her of their full support.

18. The UNFPA Deputy Executive Director (Programme) and the respective regional directors and OIC appreciated the guidance provided by the Executive Board members and noted that the comments would be conveyed to the concerned countries to take into account in finalizing the country programmes. They assured the Board that UNFPA programming was undertaken in the context of national frameworks and national development planning and priorities. UNFPA-supported programmes were designed to respond to the needs of the people, including the most disadvantaged population groups. Also, there was a clear focus on national ownership and leadership, and capacity-building. The Fund's work was undertaken in close partnership with Governments, NGOs and other development partners. Strengthening of the health work force was an important area where work was being coordinated with WHO. In the areas of in-school

and out-of-school sex education, efforts were coordinated with UNICEF and other partners. Similarly, UNFPA collaborated with UNIFEM and other partners in addressing gender-based violence.

19. The Executive Board, in accordance with decision 2006/36, approved the country programmes for Benin, the Republic of the Congo, Niger, Nigeria and the Sudan that had been discussed and reviewed earlier at the Annual session 2008. The Board approved the programme extension for Lebanon. In addition, the Board took note of the DCPs for Angola, Côte d'Ivoire, Kenya, Mauritania, Timor-Leste, Haiti and Venezuela and the comments thereon, which would be conveyed to the concerned countries to take into account in finalizing the programmes. As per decision 2006/36, the finalized programmes would be posted on the website within six weeks of the discussion and would be approved at the first regular session of the Executive Board.

UNDP segment

IV. Administrator's statement

20. The Administrator extended condolences to the families of the seven United Nations staff members, including five from UNDP, who perished in a recent plane crash in the Democratic Republic of the Congo.

21. The Administrator assessed the state of the global economic slowdown triggered by the financial crisis in developed countries. He observed that while most developing countries were seeing exports decline and increases in commodity prices outstripped by the tremendous increase in oil and food prices, the slowdown had been somewhat contained by robust growth in certain developing markets in Asia. Even those markets, however, were experiencing unprecedented inflationary pressures. He called for a decisive, coordinated response on the part of UNDP and the international community to stimulate the economy without exacerbating inflation.

22. Taking note of the many initiatives announced recently in response to the global economic crisis, the Administrator asserted that despite the apparent increase in aid to developing countries, funding had in fact decreased. He pointed to the failure of the most recent round of Doha trade talks as further impetus for the global community to join forces in fighting poverty and correcting asymmetries in growth and development.

23. The Administrator characterized UNDP as financially strong, noting a nominal increase in voluntary contributions (core and non-core resources) to $5.2 billion. However, he was troubled by the 1:4 ratio of regular to other resources. He encouraged Member States to increase funding levels and predictability.

24. He described measures to improve transparency in UNDP programmes and operations, including the increasing range of information available on country office websites. He spoke of efforts to broaden access to internal audits while safeguarding confidentiality and ensuring the appropriate use and disclosure of the information. The full text of the Administrator's statement is available on the Executive Board website, at www.undp.org/execbrd.

25. Delegations acknowledged the vital role of UNDP as a partner in development at the country level. Many concurred with the Administrator's analysis of the global economic situation, observing that climate change and the food and energy crises posed challenges to capacity development in many countries and heightened the urgency for UNDP interventions. They stressed the importance of national ownership and leadership as guiding principles.

26. Delegations noted that with the failure of the most recent round of Doha trade talks, UNDP leadership at the global level would become even more pivotal to the development prospects of the poorest countries. Several delegations called on donor and programme countries to renew, in concrete and measurable terms, their commitment to achieving the Millennium Development Goals. Some urged UNDP to pay special attention to the least developed countries, recommending a particular focus on Africa.

27. Many delegations welcomed the implementation phase of the strategic plan, 2008-2011. Some reiterated that poverty alleviation should remain the ultimate objective of the human development approach undertaken in all UNDP interventions.

28. Delegations applauded the progress achieved toward United Nations system-wide coherence. Some noted the positive feedback from the 'delivering as one' pilot programmes. They expressed optimism that the Accra Agenda for Action would provide further impetus for harmonization efforts. Others expressed their approval of measures to improve accountability, transparency and oversight. They praised the wide range of information available on country office websites. Several observed that financial information had been reported in a clearer and more understandable way than previously. Some stressed the importance of strengthening confidence in UNDP and other United Nations organizations.

29. Many delegations took the floor to express their condolences for those lost in the plane crash in the Democratic Republic of the Congo.

V. Financial, budgetary and administrative matters

30. The Associate Administrator presented an overview of financial, budgetary and administrative matters. He confirmed that total income for 2007 was $5.63 billion, an 8 per cent increase in nominal terms. He pointed out, however, that regular resources continued to be dwarfed by other resources at a ratio of 1:4, a worrying trend compromising efforts to shore up the predictability of funding for steady investment in long-term capacity development strategies. He noted that overall expenditure had remained stable at $4.77 billion, though expenditure under regular resources had risen by 7 per cent.

31. The Associate Administrator spoke of the crucial role of UNDP in the United Nations system, including managing a growing volume of resources on behalf of other United Nations organizations – $1.91 billion in 2007 (up from $1.08 billion in 2006). He described plans for UNDP to adopt, by 2010, the International Public Sector Accounting Standards, which would harmonize accounting policies across the United Nations system and increase accountability and transparency. He drew attention to the four-year pilot exercise, beginning in September 2008, in which UNDP would make financial contributions to pooled funding and sector budget support at the request of the recipient country. He described measures to align cost classification and results-based budgeting among UNDP, UNFPA and the United Nations Children's Fund.

32. He outlined a proposal to amend the financial regulations so as to permit ex-gratia payments in excess of the current limit in certain emergency situations, and described new management responses to the human resources challenges of staff attrition and gender parity.

33. Delegations expressed concern about the persistent 1:4 ratio of regular to other resources, noting that the volatility of the current global economic climate warranted greater stability and predictability of regular resources. They expressed support for the stated corporate target of a 1:3 ratio. Many urged UNDP to reduce support expenditures and called on Member States to increase regular funding support to UNDP.

34. Turning to UNDP responses to the changing aid environment, several delegations requested further information on proposals for pooled funding and sector budget support. Some expressed support

for the UNDP proposal to join processes of sector budget support or pooled funding at the country level. Others asserted that any new aid modalities should be implemented within the framework of a General Assembly resolution and subject to the prescriptions of the triennial comprehensive policy review.

35. The Executive Board adopted decision 2008/26 on the revision of the financial regulations of UNDP and UNFPA; decision 2008/27 on the annual review of the financial situation, 2007 (UNDP); decision 2008/28 on the activities of the Inter-Agency Procurement Services Office for the biennium 2006-2007; and decision 2008/29 on the role of UNDP in the changing aid environment at the country level. The Board took note of the report on the information on United Nations system technical cooperation expenditures 2007 (DP/2008/40) and its addendum (DP/2008/40/Add.1).

VI. Evaluation

36. The Director of the UNDP Evaluation Office presented the evaluation of the third global cooperation framework. She clarified that the evaluation assessed the relevance, effectiveness, efficiency and sustainability of the framework, noting that the evaluation concluded that while there was a need for such a framework at the global level, the contributions of the framework had not met expectations. Among the recommendations she highlighted were clearer definitions of the global role and strategic focus of future global programmes, with stronger results and accountability frameworks; improved corporate strategies and delivery mechanisms; alignment of global programme management with standard corporate practices; and strategic, sustained partnerships with United Nations organizations and other development institutions.

37. The Deputy Director of the UNDP Bureau for Development Policy provided the management response, which acknowledged the need to strengthen global programme monitoring and evaluation and better manage for results. He also described measures to align the global programme more closely with the strategic plan, 2008-2011, and with the triennial comprehensive policy review.

38. Delegations expressed support for the findings of the evaluation and encouraged UNDP to adopt its recommendations.

39. One delegation encouraged the Executive Board to take account of previous comments on the framework, as well as discussions of the strategic plan, 2008-2011, and of the most recent triennial comprehensive policy review. Another delegation encouraged UNDP to strengthen indicators, and to better distil national and regional results in the areas of HIV/AIDS and gender equality.

40. The Director presented the evaluation of the role and contribution of UNDP in managing environment and energy for sustainable development. She highlighted recommendations for UNDP to reformulate its strategic priorities in response to the national priorities of partner countries; address gaps in its responses to local environmental priorities; strengthen its policy dialogue with programme countries; mainstream environment and energy into other practice areas; and strengthen country office capacity.

41. The Associate Administrator presented the management response, in which he described measures being undertaken by UNDP to strengthen the culture of monitoring and evaluation throughout the organization.

42. Delegations welcomed the evaluation, noting that World Bank activities in the environment and energy were being evaluated concurrently. They praised the conclusions of the evaluation as the basis for a viable approach at the country level, and encouraged UNDP to improve cohesiveness in its policies and programmes and to work towards a better division of labour among United Nations organizations and the Bretton Woods institutions. They encouraged UNDP to avoid fragmentation, overlap and dilution of the development architecture.

43. Delegations urged UNDP to craft its policies to respond to national priorities rather than to the availability of funding, and to help strengthen country-level capacity to respond to climate change. They recommended that UNDP reorient its interventions to focus on adaptation to climate change rather than on mitigation.

44. Delegations observed that there was a lack of aggregate data on UNDP environmental activities. They noted that UNDP reporting tended to focus on activities rather than outcomes, and encouraged management to emphasize results in its reporting.

45. Delegations took note of the management response to weaknesses in the evaluation, notably the fact that the evaluation took into account the experiences of only eight countries and was not based entirely on empirical evidence.

46. The Director presented the evaluation of the programme of work of the Evaluation Office.

47. The Executive Board adopted decision 2008/30 on the role and contribution of UNDP in the environment and energy, and decision 2008/31 on the programme of work of the Evaluation Office.

VII. Country programmes and related matters

48. The Associate Administrator presented draft country programme documents for Angola, Côte d'Ivoire, Haiti, Kenya, Mauritania, Niger, Republic of the Congo, Timor-Leste and Venezuela; country programme extensions for Burundi and Lebanon; and finalized draft country programmes for Benin, Mauritius, Nigeria and Sudan. He also introduced the fourth global programme.

49. Delegations expressed support for the country programmes presented. Delegations of several countries with programmes under consideration took the floor to convey the importance of UNDP contributions to their national development plans. Many praised the consultative process that had produced the country programme documents. Others urged UNDP to tailor its contributions to focus on its comparative advantages.

50. Delegations encouraged Member States to support recovery efforts in Haiti in response to the damage suffered as a result of three successive cyclones in 2008.

51. One delegation suggested that the draft country programme document for Niger should include a more detailed analysis of the post-conflict response in that country.

52. The delegation of one of the countries with a programme under consideration took the floor to assert that its human development index ranking did not accurately reflect recent improvements in social service delivery. The delegation announced that its government had recently taken measures to improve the accuracy of its statistical data.

53. Two delegations suggested that adoption of the country programme for Mauritania be postponed in the light of the recent coup d'état in that country. The delegation of Mauritania took the floor to assure the Executive Board that the political situation in the country would not affect the progress of UNDP activities.

54. The Assistant Administrator and Director, Regional Bureau for Asia and the Pacific, introduced the new Resident Representative for Myanmar, who provided an overview of the UNDP programme of assistance in that country. He thanked the international community for its support, sympathy and generous assistance in the wake of cyclone Nargis.

55. Delegations expressed support for the people of Myanmar, and commended UNDP contributions to the recovery efforts. One delegation encouraged UNDP to engage the government in policy dialogue on key development issues, including distortions of agricultural markets, access to microcredit, and an understanding of the nature, extent and causes of poverty. Another delegation stated that the report on the Human Development Initiative contained a wealth of information and requested that it be posted to the Executive Board website upon completion.

56. The Executive Board adopted decision 2008/32 on the evaluation of the third global cooperation framework and on the fourth global programme, 2009-2011. The Board approved, on a no-objection basis, the following country programmes in Africa: Benin, Mauritius and Nigeria; and the following in the Arab States: Sudan.

57. The Executive Board took note of draft country programme documents and related comments in connection with Angola, Côte d'Ivoire, Haiti, Kenya, Mauritania, Niger, the Republic of the Congo, Timor-Leste and Venezuela. The Board heard an oral briefing on the UNDP response to the humanitarian emergency created by cyclone Nargis.

VIII. United Nations Office for Project Services

58. The Executive Director, United Nations Office for Project Services (UNOPS), presented a report on the governance structure of the organization; a status report on the implementation of the recommendations of the United Nations Board of Auditors, 2004-2005; and the annual statistical report on the procurement activities of United Nations system organizations. He noted that the Board of Auditors had issued the organization its first unqualified external audit opinion in six years, and that the organization had already implemented 23 of the audit recommendations, with the remaining recommendations due for implementation by the end of the year. He stated that pledges had been secured to cover the outstanding cost overruns associated with supporting the 2005 elections in Afghanistan. He described plans to undertake a post reclassification exercise to bring post levels into line with those of other United Nations organizations.

59. Delegations praised the progress achieved by the organization since its last report, noting in particular that the organization had received an unqualified external audit opinion from the Board of Auditors, the first such opinion it had received in six years. They applauded financial and operational improvements as well as management responsiveness to recommendations of the Board, and urged the organization to implement all outstanding recommendations. They expressed support for the proposed changes to the governance structure of the organization, asserting that the changes in structure and reporting lines would appropriately vest full responsibility and accountability for the performance of the organization in the Executive Director.

60. One delegation queried whether the proposed changes would require a resolution of the United Nations General Assembly. UNOPS management responded that certain aspects of the proposals might require General Assembly endorsement.

61. After responding to the interventions of delegations, the Executive Director informed the Executive Board that the United Nations Office of Internal Oversight Services had requested a special task force to investigate suspected irregularities in one of the countries supported by the organization.

62. The Executive Board adopted decision 2008/33 on the status report on the implementation of the recommendations of the Board of Auditors for the biennium 2004-2005; decision 2008/34 on procurement activities of the United Nations system organizations; and decision 2008/35 on the governance structure of UNOPS.

IX. South-South Cooperation

63. The Director, Special Unit for South-South Cooperation, presented the fourth cooperation framework for South-South cooperation. He pointed out that it had been shaped by Executive Board recommendations to draw on past experiences and focus on measurable results. He noted that it called for a collaborative approach so as to emphasize responsiveness, empower partnerships, ensure results, and enforce transparency and accountability in serving the development needs of Member States. He added that the framework would provide policy and trend analysis on South-South cooperation across the United Nations development system, and leverage existing capacities to avoid duplication and optimize resources.

64. Delegations stressed the importance of South-South cooperation to development. They acknowledged its fundamental role in the evolving global aid architecture, and noted its prominence in the strategic plan, 2008-2011.

65. Many emphasized that South-South cooperation should complement, rather than supplant, North-South cooperation, and encouraged stakeholders to recognize its potential for capacity development and for coordinating progress towards achieving the Millennium Development Goals. Some shared examples of South-South cooperation from their own countries, and encouraged Member States to prioritize South-South and triangular cooperation.

66. Delegations expressed support for the orientation and approach of the fourth cooperation framework and for the efforts of UNDP to establish South-South cooperation as a central pillar of the United Nations development agenda. Some noted in particular that the framework aimed to assist programme countries in maximizing the local impact of South-South cooperation. They reminded UNDP to take into account the recommendations of the most recent evaluation of its contributions to South-South cooperation.

67. Some delegations encouraged UNDP to expand the areas of focus to which South-South cooperation would be applied in its development interventions.

68. The Executive Board adopted decision 2008/36 on the fourth cooperation framework for South-South cooperation.

Joint UNDP/UNFPA segment

X. Follow-up to UNAIDS Programme Coordinating Board meeting

69. The UNDP Deputy Assistant Administrator and Deputy Director, Bureau for Development Policy, and the UNFPA Deputy Executive Director (Programme) made a joint presentation introducing the Report on the implementation of the decisions and recommendations of the Programme Coordinating Board of the Joint United Nations Programme on HIV/AIDS (DP/2008/54-DP/FPA/2008/13).

70. Delegations appreciated the work of UNFPA and UNDP in coordinating and supporting the United Nations response to the AIDS pandemic through collaboration within UNAIDS. They applauded the establishment of the joint United Nations teams on AIDS and urged UNDP and UNFPA to support the teams at the country level to institute annual reviews of joint programmes to assess progress and impact. They pointed out that these annual reviews needed to feed into the national review processes and be quality assured by the UNAIDS secretariat and co-sponsors at regional and headquarters levels. Delegations noted that should the upcoming review of the Global Implementation Support Team (GIST) find duplication with

UNAIDS, the respective roles and responsibilities should be clarified and rationalized. UNFPA was commended for its able stewardship of GIST, especially for moving the team in a productive direction. Delegations asked about the progress in implementing the gender and AIDS pilots referred to in the report. They expressed strong support for UNFPA and UNDP to increase their efforts on HIV prevention among (a) men who had sex with men; and (b) sex workers.

71. Delegations stated that it was vital for the United Nations system to deliver on HIV and AIDS in close cooperation with the World Bank, under the national leadership of programme countries, as part of the implementation of poverty reduction strategy papers (PRSPs). They inquired about the international division of labour with the Global Fund, particularly with regard to the financing and supply of technical support and health systems strengthening. Delegations supported UNFPA and UNDP efforts to better integrate gender equality and sexual and reproductive health and rights in the Global Fund's guidelines for project proposals. Regarding the unified budget and work plan (UBW), delegations supported extension to a four-year time frame to reduce transaction costs and align with the strategic plans of UNDP and UNFPA. They recalled the United Nations Secretary-General's commitment at the recent AIDS conference in Mexico regarding the United Nations delivering as one on HIV and AIDS and ensuring that HIV and AIDS remained a system-wide priority.

72. The UNFPA Deputy Executive Director (Programme) thanked the delegations for their constructive comments and support. She noted that the organization would take on board the suggestion regarding having annual reviews feed into the national review processes. She stated that an update on progress in follow-up to the Global Task Team review would be provided at the Executive Board annual session in 2009. She assured the Board that the roles of GIST and UNAIDS were harmonized and synergistic. She noted that under the division of labour amongst agencies, UNFPA was the lead agency for sex work and HIV and worked through a rights-based approach. She observed that UNFPA had 120 HIV focal points working in the Fund's country offices. She underscored that UNFPA collaborated with a number of partners, including civil society. Concerning complex and sensitive issues, she added that UNFPA was conducting in-reach training on most-at-risk populations for United Nations staff.

73. The Chief, HIV/AIDS Branch, UNFPA, pointed out that regarding access to technical support GIST had developed a document entitled Principles of Technical Assistance that spelled out the roles, responsibilities and rights of those who provide and receive technical assistance. It also looked at the benefits of North-South and South-South collaboration. Regarding joint teams on HIV/AIDS, he noted that there was a review going on in Southern Africa and South-East Asia. Currently, five countries had been reviewed and in five others the review was under way. In addition, an external review of the UNFPA strategy to reinforce capacity of country and regional offices was being undertaken in collaboration with the UNAIDS secretariat with a view to ensuring programming as one. He added that all Member States would be able to access information on technical assistance on an individual country-level basis through the UNAIDS website. Currently, data were available on 10 countries and that would increase over the next several months.

74. UNDP senior managers described ongoing efforts to provide guidance on gender-based strategies, noting that more programme countries were requesting partnership support in strengthening capacities on gender. They noted that UNDP was close to finalizing agreements on pilot projects in Southern African, Latin American and Asian countries. They recalled that the UNAIDS family had the means to make programme acceleration funds available to programme countries to encourage catalytic action on gender activities. They acknowledged spousal transmission of HIV/AIDS as an area of renewed focus, and pledged to continue the joint effort to identify good practices.

75. The Executive Board took note of the report ((DP/2008/54-DP/FPA/2008/13).

XI. Internal audit and oversight

76. The UNDP Associate Administrator introduced the UNDP accountability system (accountability framework and oversight policy) (DP/2008/16/Rev.1). The UNFPA Deputy Executive Director (External Relations, United Nations Affairs and Management) introduced the UNFPA oversight policy (DP/FPA/2008/14). The UNOPS Deputy Executive Director introduced the UNOPS accountability framework and oversight policies (DP/2008/55).

77. One delegation, speaking on behalf of the Group of 77 and China, recognized the efforts of the organizations to improve accountability systems and encouraged a deepening of the efforts. Regarding the disclosure of internal audit reports (IARs) the Group stated that such disclosures should be the "extreme exception and not the norm". Noting that IARs were internal management tools, the Group stated that the Executive Board should be engaged in determining the validity of requests for disclosure and underscored the need for the Board and the concerned programme country to become fully involved in the decision for disclosure. The Group stated that a strong and strict policy must prevent politically motivated selections of IARs for disclosure and should respect confidentiality principles. The Group saw a need for options for the Board if confidentiality was breached. The Group stressed that development assistance should in no way be tied to political conditionality. The Group expressed the hopethat the Board would arrive at a consensus.

78. Numerous delegations appreciated the quality and comprehensiveness of the documents. It was stated that the UNDP, UNFPA and UNOPS documents were among the first accountability and oversight policies to be adopted by the United Nations funds and programmes and would set the standard for other organizations across the system. Delegations welcomed the harmonization efforts and regretted the minor differences. They expressed the hope that UNFPA and UNOPS would follow the UNDP proposal to annex the report of the Audit Advisory Committee (AAC) to their respective annual internal audit and oversight reports. They underlined the relevance of a confidentiality pledge and requested the three organizations to annex a common template of such a confidentiality pledge to their respective documents. Noting the large number of accountability-related reports submitted to the Executive Board, delegations called on the organizations to begin a reflection to rationalize, simplify and streamline the reports and their production schedule.

79. Delegations noted that the accountability systems would help the Executive Board provide management with strategic guidance while refraining from micro-management. They emphasized the need to avoid politicization of the process of disclosure and to ensure that disclosure of IARs did not endanger countries. The need for a time frame was underlined. One delegation called for improvements regarding defining confidentiality; clarifying the roles and responsibilities for accountability at the country level; and establishing indicators/results to monitor the implementation and effectiveness of the policies. Some delegations urged an active dialogue and relationship between the AAC and the Executive Board. One delegation stated that the Board should have access to all IARs except those which could affect the due process rights of individuals. The delegation also urged independence for the UNDP Ethics Office and the AAC. Another delegation asked how the AAC could retain its independence if it was elected by the Executive Board and asked to report to the Board.

80. The UNDP Associate Administrator thanked delegations for their interventions and praised the ongoing consultative process. He acknowledged concerns expressed regarding definitions of accountability and oversight, the importance of maintaining open dialogue among Member States, and the need to handle confidential matters with due sensitivity. He spoke of ongoing efforts to harmonize UNDP policies with those of other United Nations organizations and expressed support for the proposal that the AAC should report directly to the Executive Board. He drew a distinction between consulting the Executive Board in appointing the Director of the Evaluation Office, which performs a role that directly impacts the effectiveness of Board oversight functions, and the process for appointing the Director of the independent

Office of Audit and Investigations. He invited delegates to reflect on the best indicators needed to regularly review the effectiveness of both offices.

81. The UNFPA Deputy Executive Director (External Relations, United Nations Affairs and Management) thanked the delegations for their supportive comments and guidance and for recognizing the diligent efforts of the three organizations. Regarding the query about accountability at the country level, she assured Executive Board members that UNFPA had all the necessary systems in place to ensure accountability, including policies, the internal control framework, business procedures and guidelines. Furthermore, accountability was ensured through internal and external audits, the balanced scorecard, office management plans and the performance appraisal and development system. She underscored that all the systems were being further strengthened under the decentralized structure that UNFPA was putting in place. She appreciated the Executive Board's request to simplify and streamline the reporting to the Board and stated that UNFPA would reflect and revert to the Board on the matter. She concluded by thanking UNFPA staff for the time and energy invested in preparing the policy document for the Board. She also thanked UNDP and UNOPS colleagues for their collaboration in harmonizing key concepts and definitions pertaining to accountability and oversight.

82. The Executive Board adopted decision 2008/37, Internal audit and oversight (UNDP, UNFPA and UNOPS).

83. Following the adoption of the decision a number of delegations took the floor noting that arriving at a consensus on the draft decision had been challenging. It was underscored that the greatest caution and discretion should be exercised in implementing the decision and disclosure of internal audit reports should not be politicized, nor should pressure regarding funding be applied to obtain disclosure. Delegations were pleased that agreement had been reached on internal audit and oversight and noted that it would help establish an accountable and transparent management system for UNDP, UNFPA and UNOPS. One delegation asked that a process to avoid conflicts of interest in the appointment of key personnel in the three internal oversight offices be developed and shared with the Executive Board. Delegations thanked the facilitator (the delegate from Sweden) for his strong efforts in facilitating the decision.

XII. Other matters

UNDP

84. The President of the Executive Board chaired an informal consultation on the Democratic People's Republic of Korea. He invited statements by the Associate Administrator and by the Assistant Administrator and Director, Regional Bureau for Asia and the Pacific, UNDP.

85. The Regional Director presented a proposed 'road map' for the possible resumption of UNDP activities in the Democratic People's Republic of Korea. He detailed a proposed five-step process to be completed by early 2009, including: first, dialogue with Member States on the best way forward; second, technical discussions with the Democratic People's Republic of Korea on human resources, finance and programmatic issues, which would build on preliminary discussions on the recommendations emerging from the independent investigative review (the Nemeth report), as well as the report of the external Board of Auditors and relevant Board decisions; third, the dispatch of a technical team to Pyongyang, following Board endorsement of the road map, to reach agreement on the modalities and content of the UNDP programme; fourth, following the successful completion of detailed discussions, submission to the Board for approval of a package of measures and a country programme to facilitate resumption of UNDP activities; and fifth, subject to approval by the Board, mobilization and recruitment of staff and establishment of physical facilities to initiate programme activities.

86. Delegations expressed support for the resumption of UNDP activities as proposed. Some suggested that three extensive reviews had failed to confirm the initial allegations of wrongdoing, and one delegation asserted that the cessation of activities without the approval of the Executive Board had been inappropriate. While acknowledging that the reviews had revealed grounds for improvement in accountability and oversight throughout the organization, several delegations urged the Board to weigh the human development needs of the local population against the severity of those shortcomings. Most recognized the proposed road map as a viable means of moving from discussion to action, while others expressed support for further consultations on implementation of the 'road map'.

87. Delegations encouraged UNDP to heed the findings and recommendations that had emerged from the investigations. Many urged the Board to bring the matter to a prompt resolution.

88. One delegation put forth a list of procedural questions regarding the overall management of the process of suspending, discussing and possibly resuming activities in the Democratic People's Republic of Korea.

89. The President recommended that UNDP proceed with the agreed 'road map'. The Board approved the inclusion of the Democratic People's Republic of Korea under the country programmes agenda item in the tentative work plan for the first regular session 2009.

Conclusion of the session

90. The Executive Board adopted the tentative work plan for the first regular session 2009.

91. In his concluding remarks, the President on behalf of the Executive Board noted with appreciation the decision of the Secretary-General to extend the tenure of the Executive Director of UNFPA by two years following consultations between the President and the Secretary-General.